GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

STARRED QUESTION NO:507
ANSWERED ON:25.04.2003
NEW EXIM POLICY
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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether in view of the economic impact of the ongoing war in Iraq, the Government has revised the EXIM Policy;

(b) if so, the main focus areas in the new Policy;

(c) the specific changes made in the existing policy especially in regard to Duty Entitlement Passbook Scheme and Export Promotion Capital Goods Scheme;

(d) the extent to which these changes would be benefited to exporters/importers;

(e) the details of other new schemes incorporated in the policy for 2003-04;

(f) the overall export target fixed for 2003-04; and

(g) the items on whose export-import restrictions have been removed in the new policy?

Answer

MINISTER OF COMMERCE AND INDUSTRY (SHRI ARUN JAITLEY)

(a) to (g) A Statement is laid on the table of the house.

STATEMENT REFFERED TO IN REPLY TO PARTS (a) TO (g) OF LOK SABHA STARRED QUESTION No. 507 FOR ANS ON 25.04.2003

(a) to (g): There was no revision in the Exim Policy on account of the ongoing war in Iraq. However, annual review of the 5 year Exim Policy is a regular exercise. As a part of yearly review of the Exim Policy 2002-07, the government has notified Export Import Policy 2002-07 (as amended upto 31.03.2003) on 31.03.2003. The Exim Policy has identified engines of growth such as services, Special Economic Zones, agri export zones, export clusters and status holders for giving focused attention so as to achieve the goal of 1% share of world trade by 2007. The Policy also aims to reduce transaction cost of the Indian exporters through implementation of the Electronic Data Interchange (EDI) Programme.

The rates under the Duty Entitlement Passbook (DEPB) Scheme have been aligned with the changes in the customs duties in the Budget 2003-04 and a new scheme for provisional rates for products for which DEPB rates have not been fixed has been announced . Under the Export Promotion Capital Goods Scheme,the export obligation has been linked with the duty saved. The export obligation period for the sick units will be as per the recommendations of the Board for Industrial and Financial Reconstruction / State Government under their rehabilitation packages. The scheme has been broadbanded to cover the capital goods required for pre and post production. Flexibility has also been granted for export of other products and services of the company and the import of second hand capital goods upto 10 years old has been permitted under this Scheme.

A new Scheme to allow duty free import entitlement to status holders having incremental growth of more than 25% in free foreign exchange subject to a minimum export turnover of Rs. 25 crores has been announced in the new Policy. Similarly to promote service exports , service providers have been allowed duty free import facility for import of spares , office equipments and furniture, professional equipment and consumables (other than agriculture and dairy products). This will cover only those service providers who have an average foreign exchange earning of over Rs. 10 lakhs in the preceding three licencing years .

Exim Policy 2002-07 aims to achieve a share of atleast 1% of the global merchandise trade by the year 2007 . This would require a Compound Annual Growth Rate (CAGR) of approximately 12%.

There are 69 items on which import restrictions have been removed which includes animal products, spices, antibiotics and films . Similarly export restrictions have been removed on 5 items which includes paddy except basmati, cotton linters, rare earth, silk cocoons, family planning devices except condoms .